



Volume 15 No. 12, June 15, 2009

CHAIRMAN'S MESSAGE – BLAINE McLEOD

As I write my message for this newsletter, the first workshops for the implementation of our continuous quota policy have just begun. The response from producers for attendance has been excellent. Close to sixty percent of dairy operations have indicated that they will be involved in a workshop. There is still room available at many of the workshops and I would like to encourage everyone to make it a priority to attend a session. Our staff worked hard to make sure that the workshops are accessible for all producers. It is our collective responsibility to respond positively by attending one of the many workshops that will be offered.

In last month's newsletter I referred to the foundational principles of supply management. I again want to emphasize the importance of maintaining production control during this time of transition to continuous dairy quota. Saskatchewan will be assessed a penalty in the month of May for exceeding the upper limit of our allocated quota. Provincial production to date indicates that there will be a limited amount of quota available for swapping. Production discipline will be key to avoiding an additional penalty in June and July. Producers are reminded that any money left in 4m (over quota) at the close of this dairy year will not be paid out until October of 2010. To qualify for a refund at that time, a producer's production will have to be at or below 100% on July 31, 2010. Delay in curtailing production will only magnify the problem down the road. Action at the farm gate is needed before the end of this dairy year.

I would like to thank you in advance for your attention to this matter. May I also add that it is an honor to continue to serve as Chair of your Milk Control Board.

The market-clearing price established for the June, 2009 Unused Quota Exchange was **\$87.00**. There was no market-clearing price established for the June, 2009 Used Quota Exchange. The results of the Quota Exchange are outlined in the following Tables.

Just a reminder to producers that when making bids on the Quota Exchange, the price on offers to sell quota is the minimum price that the producer is prepared to accept for that quota. Only if the market-clearing price is equal to or greater than the producer's minimum price will that producer qualify for participation in the Exchange.

Conversely, the price on offers to purchase quota is the maximum price that the producer is prepared to pay for that quota. **Only if the market-clearing price is equal to or less than the producer's maximum price will that producer qualify for participation in the Exchange.**

The clearing price is set at the price where the smallest difference exists between the accumulated volume offered for sale and the accumulated volume bid to purchase.

Market Clearing Price per kilogram of butterfat	\$87.00
Kilograms offered to Purchase	6,700
Kilograms offered to Sell	1,000
Kilograms sold	1,000
Number of Producers	
- offered to purchase	7
- purchased quota	2
- offered to sell	1
- sold quota	1

Price (\$/kg b.f.)	No. of Sellers	Cumulative Sellers	Kgs b.f. offered for sale	Cumulative sales	Cumulative Sales less Cumulative purchases	Cumulative purchases	Kgs b.f. offered to purchase	Cumulative Buyers	No. of buyers
68.00	0	0	0	0	-6,700	6,700	1,000	7	1
73.00	0	0	0	0	-5,700	5,700	1,000	6	1
75.00	0	0	0	0	-4,700	4,700	1,000	5	1
76.00	0	0	0	0	-3,700	3,700	400	4	1
80.00	1	1	1,000	1,000	-2,300	3,300	2,000	3	1
87.00	0	1	0	1,000	-300	1,300	600	2	1
87.25	0	1	0	1,000	300	700	700	1	1

USED QUOTA EXCHANGE (per kilogram of butterfat)

Market Clearing Price per kilogram of butterfat	S-----
Kilograms offered to Purchase	9,000
Kilograms offered to Sell	6,000
Kilograms sold	0
Number of Producers	
- offered to purchase	3
- purchased quota	0
- offered to sell	1
- sold quota	0

USED QUOTA EXCHANGE

Price (\$/kg b.f.)	No. of Sellers	Cumulative Sellers	Kgs b.f. offered for sale	Cumulative sales	Cumulative Sales less Cumulative purchases	Cumulative purchases	Kgs b.f. offered to purchase	Cumulative Buyers	No. of buyers
63.00	0	0	0	0	-9,000	9,000	3,000	3	1
64.00	0	0	0	0	-6,000	6,000	3,000	2	1
65.00	0	0	0	0	-3,000	3,000	3,000	1	1
70.00	1	1	6,000	6,000	6,000	0	0	0	0

ACCOUNTING VALUES FOR CLASSES OF MILK June 2009

	Butterfat (\$/kg)	(\$ per hl. Skim milk)	
Class 1a	\$5.3000	\$68.10	
Class 1b	\$5.3000	\$68.10	
Class 1c	As approved by the Board		
	Butterfat (\$/kg)	Protein (\$/kg)	Other Solids (\$/kg)
Class 2	\$7.5339	\$5.6447	\$5.6447
Class 3a	\$7.5339	\$13.1864	\$0.8940
Class 3b	\$7.5339	\$12.9337	\$0.8780
Class 4a, 4b, 4d & 4d(i)	\$7.5339	\$5.2463	\$5.2463
Class 4a(i)	\$7.5339	\$2.20	\$2.20
Class 4c	As approved by the Board		
Class 4m	\$0.00	\$0.00	\$0.00
Class 5a	\$3.2513	\$5.6124	\$0.0001
Class 5b	\$3.2513	\$1.7410	\$1.7410
Class 5c	\$3.0000	\$1.6375	\$1.6375
Class 5d	As determined by	the CDC	

WEIGHTED AVERAGE COMPONENT TESTS & PRICES May 2009

Components	Average Test	Price per kilogram Class 1 to 5
Butterfat	3.7893	\$11.323358
Protein	3.3062	\$ 8.323335
Other Solids	5.6747	\$ 1.212345

Based on the average component tests for the province, the average price received was \$77.3056 per hectolitre. **The average butterfat price received per kilogram was \$20.40.**

Over quota (4m) holdings are \$2,806,143.94 for the first ten months of the 2008-2009 dairy year.

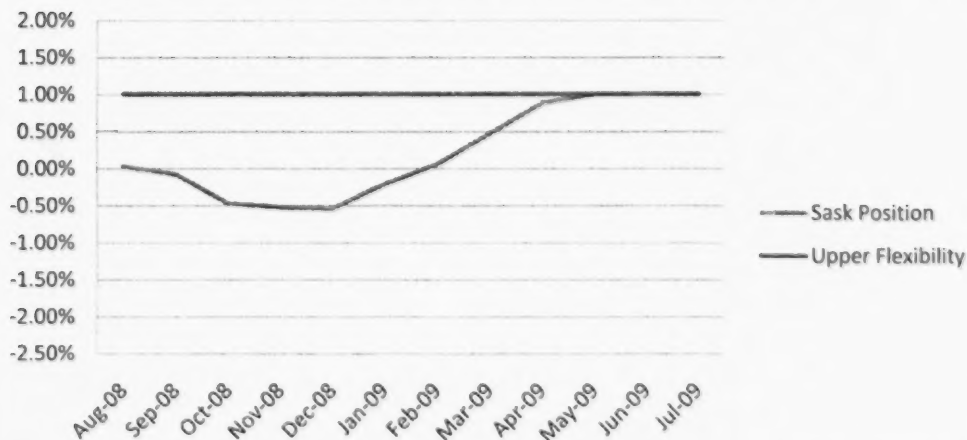
SASKATCHEWAN MILK POOL RESULTS May 2009

Milk Sale Revenue	\$ 15,430,914.79
Western Milk Pool	\$ 246,233.67
Dairy Farmers of Canada Skim Off	\$ -19,037.12
Plant of Last Resort Service	\$ -58,701.90
Truck Seals	\$ - 4,039.50
Audit Adjustment	\$ -2,784.96
Total Pool Value	\$ 15,592,584.98

UNALLOCATED TOTAL PRODUCTION QUOTA PENDING FOR August 1, 2009 IS ESTIMATED AT +.35%

Unallocated Total Production Quota Pending is the quota change being projected for the beginning of the new dairy year. This is the result of *pro-rata* quota allocations to producers during the current dairy year.

Cumulative Over or Under Production



PENALTY FOR OVER PRODUCTION

In May 2009, Saskatchewan over produced its cumulative quota position by approximately 21,639 kilograms of butterfat. This will have an impact on producers' June 2009 blend price that they will receive on July 15, 2009. The total dollar impact will be unknown to the Board until the Canadian Dairy Commission completes pooling calculations for May 2009. That calculation will be completed by June 26th 2009. There will be a separate line included in the Saskatchewan Milk Pool Results table listed as Over Quota Penalty.

TEMPORARY QUOTA

It is anticipated that the 0.5% National Growth Allowance (line 4 on your Quota Management Sheet) will not be continued after July 31, 2009. A final decision will be made on this at the CMSMC meeting in July.

The Provincial carry-forward (line 5 on your Quota Management Sheet) will be eliminated effective August 1, 2009. Under the old National Quota Policy, a province could carry forward any under production between 99.5% and 100%. Under Continuous Quota, this type of carry-forward does not occur.

Producers should note that any temporary quota that is issued throughout any dairy year has an end date of July 31, and will only be continued if market and production conditions warrant a temporary quota issuance.

In May, Saskatchewan had a monthly CDC allocation of **725,265 kilograms** of butterfat. For May, Saskatchewan is **+39,029 kilograms** of butterfat over, and cumulatively over by **+86,798 kilograms** of butterfat. On a percentage basis, Saskatchewan is at **+1.00%** within our CDC allocation flexibility limits based on the Continuous Quota model.

For the 2008-09 dairy year, Saskatchewan produced **101.60%** of its allocation from August 1, 2008 to May 31, 2009.

	(1) Monthly Total Production Kgs bf	(2) Total Monthly CDC Quota Allocation Kgs bf	(3) Monthly Over or (Under) Production Kgs bf col. 1 - 2 = 3	(4) Lower Flexibility Limit (1.5%) Kgs bf col. 9 * -1.5%	(5) Upper Flexibility Limit 1.0% Kgs bf col. 9 * 1.0%	(6) Cumulative Over or (Under) Production with limits Kgs bf	(7) Cumulative Over or (Under) Production with limits in % col. 6 / 9	(8) Over Quota or (Lost Production Opportunity) Kgs bf	(9) Rolling 12 Month Total Quota Kgs bf
Aug-08	714,566	711,593	2,973	(130,546)	87,031	2,973	0.03%	-	8,703,089
Sep-08	702,656	712,733	(10,077)	(130,901)	87,268	(7,104)	(0.08%)	-	8,726,753
Oct-08	731,710	765,419	(33,709)	(130,809)	87,206	(40,814)	(0.47%)	-	8,720,621
Nov-08	725,592	730,200	(4,608)	(130,756)	87,171	(45,421)	(0.52%)	-	8,717,065
Dec-08	768,375	770,028	(1,652)	(130,900)	87,267	(47,074)	(0.54%)	-	8,726,664
Jan-09	776,069	747,648	28,421	(130,950)	87,300	(-18,652)	(0.21%)	-	8,729,975
Feb-09	696,788	673,299	23,490	(130,537)	87,025	4,837	0.06%	-	8,702,488
Mar-09	780,327	744,371	35,956	(130,533)	87,022	40,793	0.47%	-	8,702,230
Apr-09	743,837	707,304	36,533	(130,272)	86,848	77,326	0.89%	-	8,684,777
May-09	764,294	725,265	39,029	(130,197)	86,798	86,798	1.00%	21,639	8,679,772

- (1) Monthly Production in Saskatchewan
- (2) Total Monthly Quota = Class 1 sales + Monthly MSQ + Carry Forward
- (3) Difference between the monthly production (1) and the total monthly quota (2)
- (4) The Lower Flexibility Limit is -1.5% of Rolling 12 Month Total Quota (9)
- (5) The Upper Flexibility Limit is 1.0% of Rolling 12 Month Total Quota (9)
- (6) Previous Month Cumulative Over or (Under) Production + Current Monthly Over or (Under) Production (capped at lower or upper limit if applicable)
- (7) Equal to Column (6) expressed as a percentage basis within the flexibility limits
- (8) Over Quota or (Lost production opportunity) outside of flexibility limits
- (9) Total Monthly CDC Quota Allocation for the previous 12 months

QUOTA MANAGEMENT RESULTS

Please find enclosed your quota management results for May, 2009. This Table indicates the percentage of each producer's quota allocation utilized as well as the kilograms of butterfat produced by these shipments.

There are lines numbered 1 through 11 on the top portion of your quota management sheet which show adjustments to your quota for the 2008-2009 dairy year. Enclosed with your quota management sheet is an explanation of how these adjustments will affect what you are required to produce for mid-year (January 31st) and year-end (July 31st) to achieve 97%. If you have any questions, please contact our office.

QUOTA LISTING SERVICE

The Board offers a free quota listing service as part of its Newsletter. Anyone wishing to sell or purchase quota and/or cows, miscellaneous dairy equipment, or swap quota is welcome to contact the Board office at (306) 787-5319. All prices and negotiations will be independent of the Milk Control Board.

Swap in Unused Quota

- Scott Colony – John or George – (306) 247-2145
- Springlake Colony – Sam (306) 741-8766
- Kelly Neudorf (306) 225-4680
- Keith Thoner (306) 259-2171
- Ford Dairy – Contact Leonard @ (306) 783-0977 or Margaret @ (306) 782-7240
- Earview Colony - Dave (306) 672-3516
- Harry Martens (306) 239-4902 or cell (306) 222-0322
- Spring Creek Colony – Dave @ cell (403) 979-1379

Swap out Unused Quota

- Wheatland Colony would like to swap out quota. Contact George at (306) 587-2458 Ext. 109

Wanted – Quota to Purchase

- Wanted – quota to purchase (quota only) – approximately 10,000 kilograms. Contact Henry Klop (306) 493-2273

- Wanted to purchase approximately 10,000 – 13,000 kilograms quota. Contact Darcy Loewen. Call (306) 493-8201 or Cell (306) 493-7631. Fax (306) 493-8212.

Quota &/or Cows for Sale

- Cows and quota for sale. Contact Emile or Sylvia Marquette (306) 327-5736
- Two breeding age bulls for sale. Contact Ernest Friesen at (306) 931-1947 or (306) 260-9480.
- For sale – 10 milk cows. Phone Chad (306) 598-2054
- For sale – 14 heifers and 3 cows. Phone Fred or Anne Monchuk (306) 365-4750
- Quota for sale. Approximately 32,000 kilograms. Contact Dan Hazell @ Glenacre Holsteins. Phone (306) 224-4850. Fax (306) 224-4909.
- Cows and quota (approximately 40,000 kilograms). Please contact Ken Schmidt @ (306) 374-8980
- Bred heifers for sale – contact Danny at Box Elder Colony – (403) 502-9997
- For sale: 8 registered Holstein heifers due September – December
For sale: 1 registered Holstein bull, 20 months old. Sire – Regancrest Dundee
Dam is a Comestar Stormatic with 246-230-235 BCA
Contact Lloyd Sawatsky (306) 239-4818

Miscellaneous For Sale

- 2000 U.S. Gallon Alfa-Laval Milk Tank with cooling condensers and compressors. Contact Ferch Farms (306) 736-2205.
- One 14' Richardson Jiffy Hy-dump sileage wagon. Contact Bob or Kim McCubbing, Unity, Sask. Phone (306) 228-2921 or cell (306) 228-8598.
- Dairy Equipment for Sale: 1 18" x 10' belt conveyor; 6 Waikato milk meters; 6 Delaval milk machines with vacuum pulsators; Delaval vacuum pump with 7.5 hp motor. Contact Lloyd Sawatzky, Saskatoon, SK Phone (306) 239-4818. Cell (306) 281-2247.
- Agri-Metal 542 feedcart; Renn 10hp Roller mill; Conveyors, 2-14 ft x 18 inch, 1-42 ft x 18 inch; 2 – 6 inch electric augers, 10 & 14ft; Harvestore, Goliath and Hercules unloaders; Mueller 1000 gallon milk tank; Alamo 100 vacuum pump; Surge Eclipse milking units and retractors. Contact: Leonard Blocka (306) 764-8439 or cell (306) 960-6608.
- 16 Waikato milk meters \$250 each; 5,000 gallon new Delaval bulk tank, made in U.S.A. \$50,000. Contact Corman Holsteins (306) 933-4608

- 2002 Tubeline Bale Wrapper and a dismantled 25/90 Harvestorg Silo. Call David Slykhuis @ (306) 453-2878 in Carlyle, SK
- 2000 gallon Delaval tank. Call James Hein (306) 365-3209

Wanted to Buy

- Used Ration Master II Processor (used for feed stations)
Contact Margaret at (306) 782-7240.

MILK CONTROL BOARD MEMBERS

Blaine McLeod - Chairman	Dairy Producer - (306) 756-2775
Dale Strudwick - Vice-Chair	Dairy producer - (306) 771-4186
Alvin Schultz - member	Dairy producer - (306) 254-4301
Dr. Bob Tyler - member	Professor - Dept. of Food & Bioproduct Sciences, University of Saskatchewan, Saskatoon

For further information, please contact the Saskatchewan Milk Control Board office.

1210-2500 Victoria Avenue Telephone (306) 787-5319

Regina, Saskatchewan S4P 3X2 Fax: (306) 787-1988

Website: www.smcb.ca email: info@smcb.ca

